GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3234
ANSWERED ON:14.08.2003
KANUNGO COMMITTEE
MOINUL HASSAN AHAMED

Will the Minister of POWER be pleased to state:

(a) whether the Government are aware that the Kanungo Committee in Orissa hasstrongly castigated the private company, BSES for essentially siphoning out money and bringing neither capital nor expertise in its operation; and

(b) if so, the reaction of the Government thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Government of Orissa constituted a Committee of independent expertswith Shri S. Kanungo as Chairman to review the power sector reforms in the State in the year 2001.

Main recommendations of the Committee inter alia are as follows :

(i) Keep in abeyance the up-valuation of assets undertaken during the time of asset transfer as it has needlessly added to the cost of power and made the task of achieving commercial viability more difficult. Up-valuation in respect of Orissa Hydro Power Corporation (OHPC) needs to be set aside.

(ii) Arrange financial support during transition for financing the revenue gap till commercial viability is achieved.

(iii) Key to revival of sector is in improving efficiency and bringing down costs. Launch as concerted drive to remove illegal connections such as hooking and effective measures to convert them into regular connections followed up by systematic billing and collection of energy charges. Police protection to be provided for teams carrying out drives to prevent unauthorized use of electricity. Ensure 100% consumer metering within a year.

The Committee has drawn attention to the need for the private promoters to bring in better management and arrange financial support.

The follow up action on the recommendations of the Committee comes under the purview of the State Government.